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ABSTRACT

The Subcommittee on Human Resources of the House Committee on Ways and Means asked the General Accounting Office for information on who is currently receiving Aid to Families with Dependent Children (AFDC) and whether the characteristics of this population have changed in recent years. This report presents information on changes in the characteristics of female-headed families receiving AFDC between 1976 and 1992. The following data sources were used: the Bureau of the Census' 1992 March Current Population Survey (CPS) from 1976 to 1992; Department of Health and Human Serivces' (HHS) National Integrated Quality Control System data, from 1986 to 1992; and other Census data in published reports. In this period the proportion of single women receiving AFDC who have never been married more than doubled, increasing from about 21 percent to about 52 percent. This change paralleled a broader societal trend among all single mothers. Among all single mothers, the proportion who never married almost tripled over the same period. In comparison with 1976, single women receiving AFDC in 1992 were more likely to have finished high school and to have fewer children. However, single women receving AFDC in 1992 were poorer than in 1976, even though they worked in about the same proportions. Total family income declined sharply for these women as a result of declines in the real value of earnings and AFDC benefits. Policy implications of these findings are considered. Three figures present study findings. Three appendices provide 2 tables and 22 figures to detail the report and a list of major contributors to the report. A glossary of terms is provided. (Contains six references and three related GAO products.) (SLD)

United States General Accounting Office

GAO

Report to the Chairman, Subcommittee on Human Resources, Committee on Ways and Means, House of Representatives

May 1994

FAMILIES ON WELFARE

Sharp Rise in Never-Married Women Reflects Societal Trend

ED 386 510

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-256995

May 31, 1994

The Honorable Harold E. Ford
Chairman, Subcommittee on Human Resources
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

In recent years, concerns about rising caseloads and long-term dependency have prompted renewed attention to the nation's welfare system. Since the summer of 1989, Aid to Families with Dependent Children (AFDC) caseloads and costs have risen sharply and are now at record levels. Increasingly, concerns have centered on the growing number of out-of-wedlock births and their impact on AFDC caseloads.

In response to the growth in AFDC, states have initiated major reforms, including taking new actions aimed at changing welfare recipients' behavior and enhancing family responsibility. For example, several states no longer increase the amount of a family's AFDC benefit for an additional child born while the mother is receiving welfare. Some states have also moved to eliminate disincentives to marriage and work by allowing married couples who work to keep more of their earnings without reducing their benefits. State efforts at reform are now taking place under specific federal waivers, and the challenge of systemwide reform lies ahead.

As the Congress begins to deliberate the issues surrounding the federal role in welfare reform, you asked us for information on who is currently receiving support under the AFDC program and whether the characteristics of this population have changed in recent years. This report presents information on changes in the characteristics of female-headed families receiving AFDC between 1976 and 1992. A second report, which we are also sending you today, focuses on women receiving AFDC who currently are or were teenage mothers.

Background

The AFDC program provides cash benefits to economically needy families with children who lack support from one or both of their parents because of death, absence, incapacity, or unemployment. AFDC is funded with federal and state dollars, with the federal share determined by a matching formula related to each state's per capita income.

Both caseloads and total program costs have grown dramatically in recent years. Total assistance payments for families receiving AFDC, including federal and state funds, were about $22.2 billion in fiscal year 1992. In November 1993, AFDC benefits reached over 5 million families nationwide.

As caseloads have grown, questions have risen about the changing characteristics of women receiving AFDC and the implications for welfare reform initiatives. One characteristic, marital status, has received particular attention because of the dramatic growth in out-of-wedlock births. The number of out-of-wedlock births in the United States rose from about 400,000 in 1970 to over 1.2 million in 1991. Although teenage mothers were more likely to have children out of wedlock, the proportion of older mothers who gave birth out of wedlock more than quadrupled between 1970 and 1991.

Results in Brief

From 1976 to 1992, the proportion of single women receiving AFDC who had never been married more than doubled, increasing from about 21 percent to about 52 percent. The growth in the proportion of women who never married was the most dramatic change we found among the group of single women receiving AFDC. This change paralleled a broader societal trend among all single mothers. Among all single mothers, the proportion who never married almost tripled over the same time period.

The characteristics of all single women receiving AFDC also changed in several other ways between 1976 and 1992. Single women receiving AFDC in 1992 were more likely to have a high school diploma and to have fewer children. These demographic changes among single women receiving AFDC paralleled similar trends among all single mothers.

However, single women receiving AFDC in 1992 were poorer than in 1976, even though they worked in about the same proportions. Total family incomes declined sharply for these women as a result of declines in the real value of earnings and AFDC benefits.[1] Almost half of all single women receiving AFDC reported total family incomes in the Bureau of the Census' 1992 March Current Population Survey (CPS) that were below 50 percent of

[1]As used in this report, "total family income" includes earnings and cash benefits, such as AFDC benefits, but does not include the value of such noncash benefits as Food Stamps and Medicaid. All income and earnings in this report are in 1991 dollars.

the poverty line—more than double the proportion reporting such incomes in the 1976 CPS.[2]

Characteristics of never-married women receiving AFDC also changed over the 1976 to 1992 period. In 1992, never-married women receiving AFDC were less likely to be teenage mothers. They were also older and better educated than never-married women receiving AFDC in 1976. Similar changes occurred among all never-married mothers. Also, when compared to women receiving AFDC who had ever married, never-married women were less likely to receive child support and more likely to have lower incomes.

The dramatic growth in the number of never-married women receiving AFDC has important public policy implications. Not only have never-married women and their families driven AFDC caseloads to record levels, these families also have an impact on other programs. For example, child support is more difficult to obtain for never-married women, who are less likely to have child support orders. Moreover, the growth in never-married women receiving AFDC is not unique to women receiving AFDC, but rather reflects a broader societal trend among all women. It is thus unclear what impacts proposed changes to the AFDC program may have on the growth in the number and proportion of never-married women receiving AFDC.

Scope and Methodology

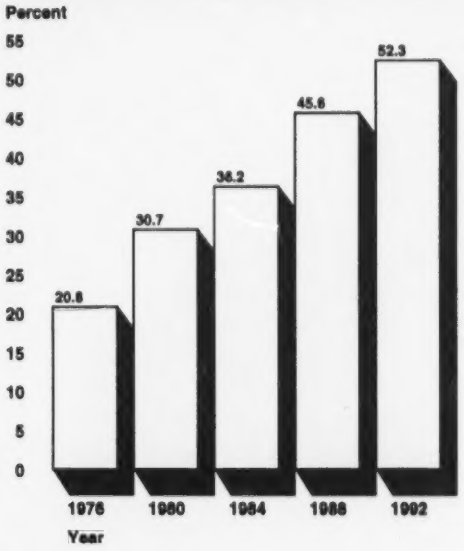
We analyzed demographic, employment, and income trends for all single women receiving AFDC and for never-married women receiving AFDC. To put the trends we found for each group in perspective, we examined corresponding trends for a comparison group. For a more detailed discussion of trends among single women receiving AFDC, see appendix I. Appendix II contains a detailed discussion of trends among never-married women receiving AFDC. We used the following data sources: the CPS, from 1976 to 1992; Department of Health and Human Services' (HHS) National Integrated Quality Control System data, from 1986 to 1992; and other Census data in published reports.

[2]A family is considered to be living in poverty if its annual cash income, adjusted for such factors as family size and number of children under 18 years old, is below the threshold believed necessary for that family to purchase a minimum standard of living.

Proportion of Never-Married Women Receiving AFDC More Than Doubled, Reflecting Societal Trend

The most striking change among single women receiving AFDC was in marital status. The proportion who never married more than doubled, from about 21 percent in 1976 to about 52 percent in 1992. (See fig. 1.) Between 1976 and 1992, the number of never-married mothers receiving AFDC increased from about 380,000 to over 1.5 million. A recent report by the Congressional Budget Office found that the growth in female-headed families, especially those headed by never-married women, accounted for more than half of the recent growth in AFDC caseloads.[3]

Figure 1: Proportion of Never-Married Women Receiving AFDC More Than Doubled (CPS, 1976-92)



Source: CPS.

[3]Forecasting AFDC Caseloads, With an Emphasis on Economic Factors, CBO Staff Memorandum (Washington, D.C.: Congressional Budget Office, July 1993).

Moreover, our analysis showed that not only did the proportion of never-married women receiving AFDC double between 1976 and 1992, the characteristics of this group also changed. Never-married women receiving AFDC in 1992 were less likely to be teenage mothers than formerly. They were also less likely to have low levels of education. In addition, other studies suggest that never-married women are much less likely to receive child support than women who had ever been married.

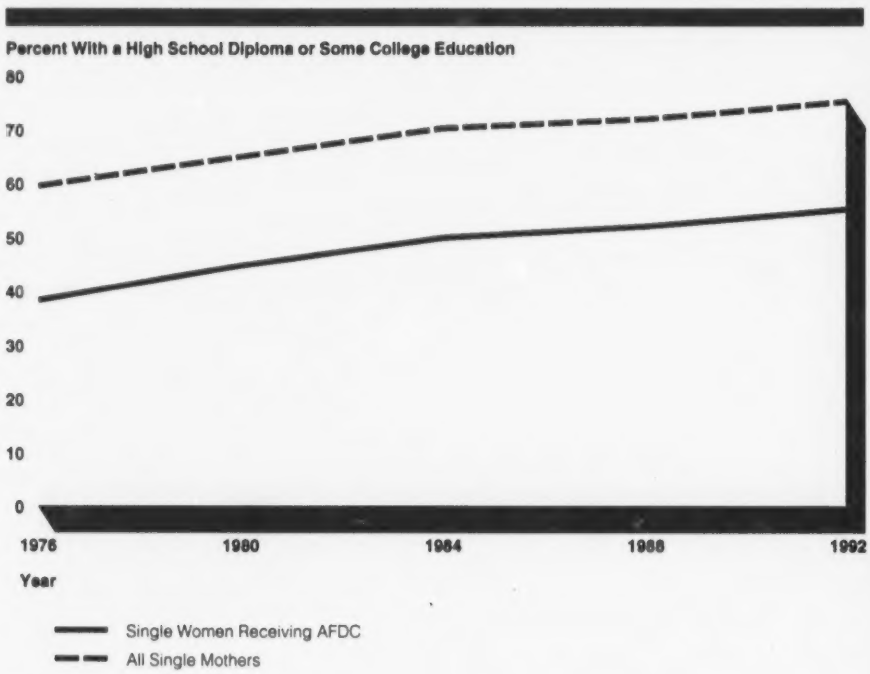
The increase in the number of never-married women receiving AFDC reflects a similar increase in the number of never-married women among all single mothers. That is, this change in the group of women receiving AFDC parallels a trend in the population at large toward unmarried women having and raising children. Other changes in the characteristics of never-married women receiving AFDC have moved this group closer to the group of all never-married mothers.

Single Women Receiving AFDC Are Better Educated and Have Fewer Children Than Formerly

Single women receiving AFDC in 1992 were more likely to have a high school diploma and to have fewer children than in 1976. In 1976, 38 percent of women receiving AFDC had at least a high school diploma. By 1992, 55 percent did. Over the same time frame, the proportion of families with four or more children receiving AFDC declined, from about 23 percent to about 13 percent.

Both these trends—toward higher levels of education and smaller families—paralleled trends for all single mothers. In 1976, 60 percent of all single mothers had at least a high school diploma, increasing to 75 percent in 1992. (See fig. 2.) Among these families, the proportion with four or more children also declined, from about 12 percent to about 6 percent.

Figure 2: Educational Levels Increased for Single Women Receiving AFDC and for All Single Mothers (CPS, 1976-92)



Source: CPS.

Proportion of Working Women Receiving AFDC Has Remained Stable

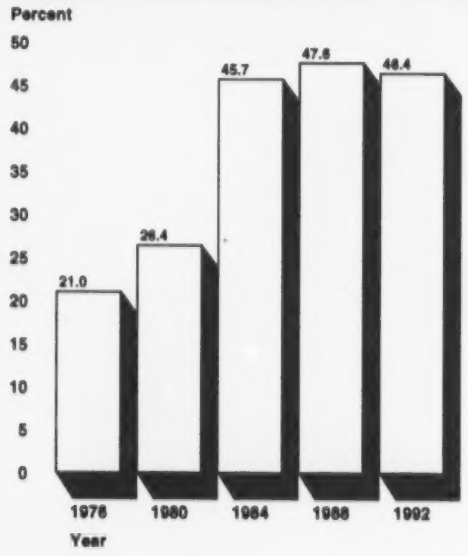
Between 1976 and 1992, the proportion of single women receiving AFDC who worked remained about the same. HHS data showed a consistent but low percentage of single women who worked while they received AFDC—about 6 percent. CPS data also showed a consistent but higher percentage of women receiving AFDC who worked—about 35 percent. One explanation for the differences between the two data sources is that, unlike HHS data, CPS data includes women who worked and received AFDC in the same year but not necessarily at the same time. Both the HHS and the CPS data are collected annually and may understate the complex work patterns of single women receiving AFDC.

Our comparison of women receiving AFDC who worked with those who did not work showed that workers were more likely to have higher educational levels. Our analysis also showed that regardless of educational attainment, those who worked while receiving AFDC tended to have smaller families.

Single Women Receiving AFDC in 1992 More Likely to Have Family Incomes Below 50 Percent of the Poverty Line Than in 1976

Almost half of all single women receiving AFDC reported total family incomes in the 1992 CPS that were below 50 percent of the poverty line—more than double the proportion reporting such incomes in the 1976 CPS. (See fig. 3.) Real total incomes for families receiving AFDC in 1992 declined over 37 percent compared to families receiving AFDC in 1976.

Figure 3: Proportion of Women Receiving AFDC With Incomes Below 50 Percent of the Poverty Line More Than Doubled (CPS, 1976-92)



Source: CPS.

Incomes for families receiving AFDC declined because both components of family income declined: earned income and benefits. For families on AFDC, the average earned income reported in the 1992 CPS was 34 percent lower in constant dollars than that reported in the 1976 CPS.[4] This decline is not surprising given the passage of the Omnibus Budget Reconciliation Act of 1981, which lowered the amount of earnings recipients could have and still remain eligible for AFDC. In addition, the median value of AFDC benefits in constant dollars declined 43 percent between 1970 and 1992.[5]

As agreed, we did not obtain written agency comments. We are sending copies of this report to appropriate House and Senate committees, the Secretary of Health and Human Services, and other interested parties. Copies will be made available to others on request.

If you or your staff have any questions concerning this report or need additional information, please call me on (202) 512-7215. Other major contributors are listed in appendix III.

Sincerely yours,

Joseph F. Delfico

Joseph F. Delfico
Director, Income Security Issues

[4]These families may or may not have been receiving AFDC for the calendar year in which the income was reported. Family income includes incomes of family members 15 years and older.

[5]Committee on Ways and Means, U.S. House of Representatives, Overview of Entitlement Programs: 1992 Green Book (Washington, D.C.: GPO, May 15, 1992), p. 641.

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Abbreviations

AFDC	Aid to Families With Dependent Children
CPS	Current Population Survey
GED	general equivalency diploma
HHS	Department of Health and Human Services
OBRA	Omnibus Budget Reconciliation Act of 1981

Demographic, Employment, and Income Changes

In this section we analyze selected characteristics of single women receiving AFDC over the period 1976 to 1992. This group includes all female heads of families with no spouse present who receive AFDC.[1] We focused on this group because families headed by single women make up a sizeable and generally stable proportion—about three-quarters—of the AFDC caseload.[2]

We present information on marital status, educational levels, race, age, family size, work status, earnings, and income. We also provide more specific information about the characteristics of those who worked and those with incomes below 50 percent of the poverty line. To analyze each of these characteristics, we used data collected by CPS from 1976 to 1992. We note that CPS data on recipiency, work status, earnings, and income describe conditions in the year prior to data collection. For example, a respondent to the March 1992 CPS would provide current demographic data but 1991 annual earnings. We report all CPS data in "CPS Years," the year in which the data were collected. To supplement CPS data on work status, we also used HHS data on these characteristics from 1986 to 1992.

Because CPS data are obtained from a sample of the population, our estimates derived from these data have an associated sampling error. Unless otherwise indicated, sampling errors for the data in this report are 6 percentage points or less at the 95-percent confidence level.

To put the trends we observed in perspective, we analyzed marital status, educational level, race, age, and family size for a comparison group of all single mothers. To determine trends for this comparison group, we used previously published CPS data.

[1]This group may include female heads who are responsible for children not necessarily their own, i.e., grandmothers, aunts, etc. The proportion of families with children other than their own is small, about 6 percent.

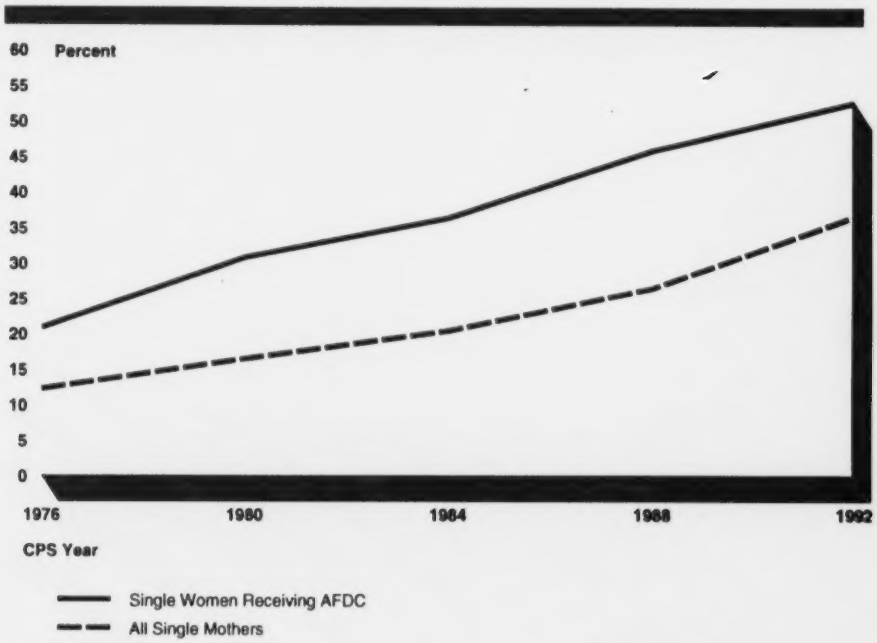
[2]The remaining quarter of the caseload is comprised principally of two-parent families and a small proportion of single male-headed families.

The Proportion of Never-Married Women Receiving AFDC Has More Than Doubled

Our analysis of single women receiving AFDC shows that the proportion who have never been married has more than doubled since 1976. In 1992 these women headed more than half of all AFDC female-headed families. (See fig. I.1.)

This increase in the proportion of never-married women receiving AFDC reflects a similar trend among all single mothers, although the total proportion is higher in the AFDC population. Since 1976, the proportion of single mothers who have never married has almost tripled, increasing to about 36 percent in 1992.

Figure I.1: Proportion of Never-Married Women (CPS, 1976-92)



Source: CPS.

(Percent)

CPS Year	Single Women Receiving AFDC	All Single Mothers
1976	20.8	12.2
1980	30.7	16.4
1984	36.2	20.3
1988	45.6	26.3
1992	52.3	36.4

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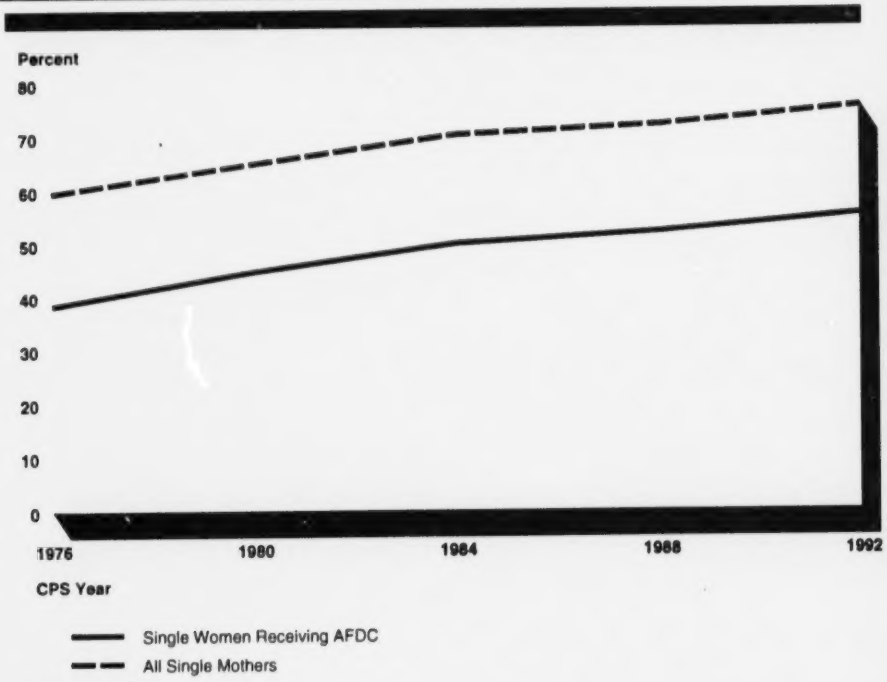
Educational Levels Increased for Single Women Receiving AFDC

Over time, the educational levels of single women receiving AFDC have increased. In 1976, 38 percent had at least a high school diploma. By 1992, 55 percent of women receiving AFDC had at least a high school diploma. But while the educational attainment of women receiving AFDC rose, it was consistently lower than that of all single mothers. In 1976, 60 percent of all single mothers had at least a high school diploma, and this proportion increased to 75 percent in 1992. (See fig. I.2.)

We found a similar pattern when we looked at trends in education at the college level. The proportion of single women receiving AFDC who had at least some college education more than doubled between 1976 and 1992, but this proportion was consistently lower than among all single mothers. By 1992, 17 percent of women receiving AFDC had some college education, in contrast to 36 percent of all single mothers. (See fig. I.3.)

Figure I.2: Proportion With a High School Diploma or Some College Education (CPS, 1976-92)



Source: CPS.

(Percent)

CPS Year	Single Women Receiving AFDC	All Single Mothers
1976	38.3	59.5
1980	44.7	64.9
1984	49.9	70.2
1988	52.0	71.9
1992	55.2	75.2

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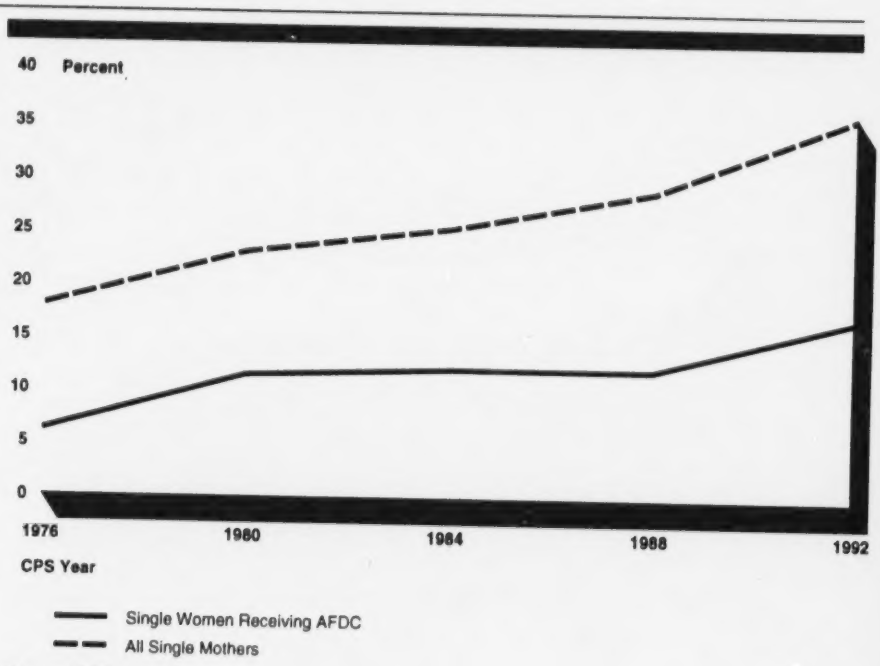
Figure I.3: Proportion With Some College Education (CPS, 1976-92)



Source: CPS.

(Percent)

CPS Year	Single Women Receiving AFDC	All Single Mothers
1976	6.1	17.9
1980	11.4	22.9
1984	12.0	25.2
1988	12.0	28.7
1992	16.9	35.9

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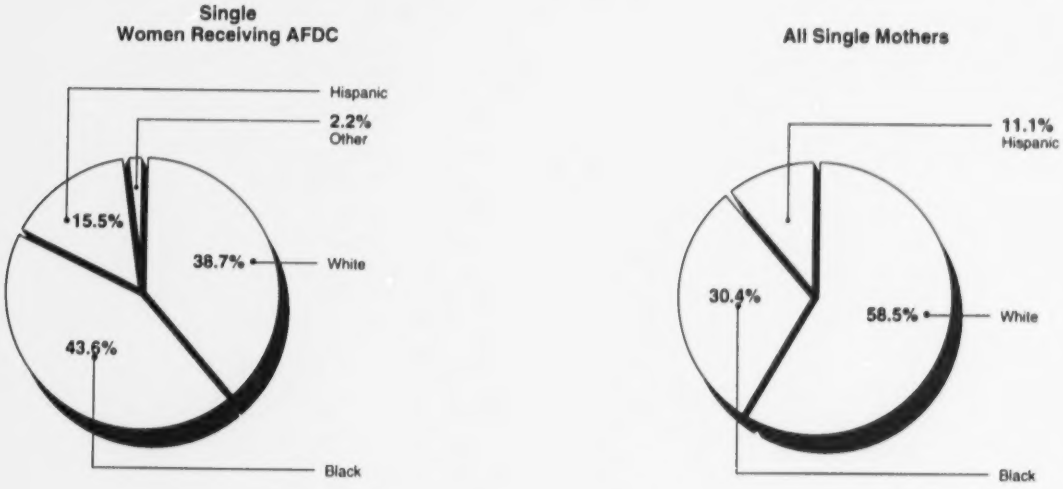
Racial Composition Remained About the Same

The racial composition of single women receiving AFDC remained about the same between 1976 and 1992.[3] Whites accounted for about 40 percent of the caseload, and blacks accounted for slightly over 40 percent. Hispanics accounted for about 15 percent of the caseload over the time period we analyzed.

Compared to all single mothers, blacks and Hispanics were more represented among single women receiving AFDC. While about 30 percent of all single mothers were black, about 44 percent of single women receiving AFDC were black. Hispanic women accounted for about 11 percent of all single mothers, but among single women receiving AFDC, over 15 percent were Hispanic. (See fig. I.4.)

[3]Although we did find some slight changes over time, the changes were not statistically significant.

Figure I.4: Racial Composition of Single Women Receiving AFDC and of All Single Mothers (CPS, 1992)



Source: CPS.

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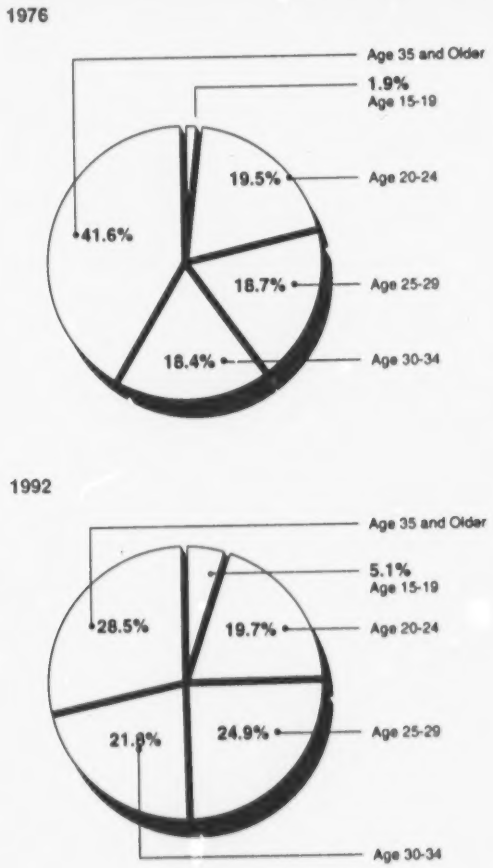
Average Age of Single Women Receiving AFDC Decreased Slightly

Between 1976 and 1992, the average age of single women receiving AFDC decreased slightly, from 34 to 31 years. The proportion of current teenage mothers receiving AFDC remained small, increasing from 2 percent in 1976 to about 5 percent in 1992. Over time, larger increases occurred in the 25-to-29-year-old and 30-to-34-year-old age categories. (See fig. I.5.)

Compared with all single mothers, single women receiving AFDC were more likely to be younger. In 1992, about 10 percent of all single mothers were under 25 years old. In comparison, a quarter of single women receiving AFDC were under 25 years old. (See fig. I.6.)

Figure I.5: Age Composition of Single Women Receiving AFDC (CPS, 1976 and 1992)



Source: CPS.

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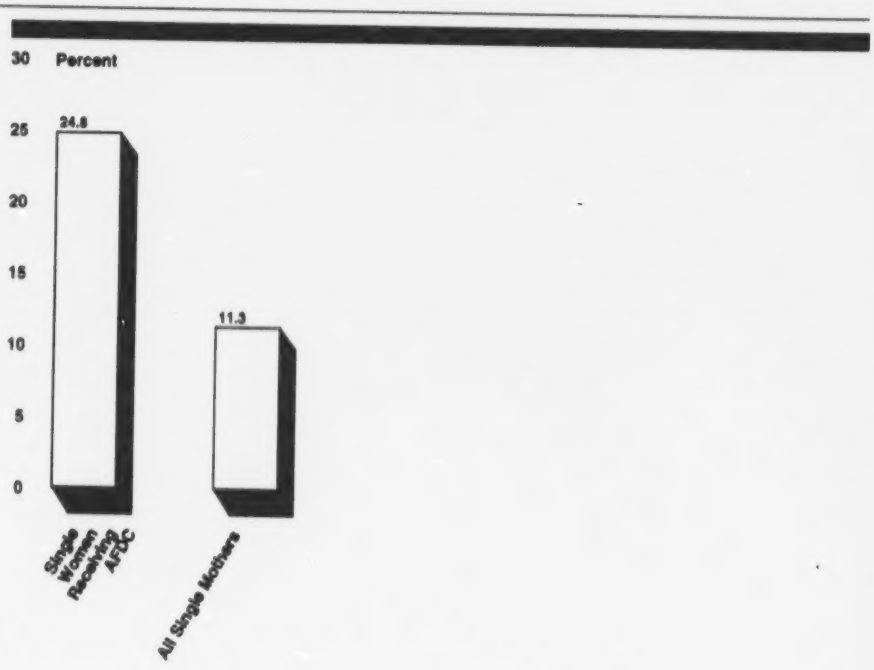
Figure I.6: Proportion Under 25 Years Old Among Single Women Receiving AFDC and Among All Single Mothers (CPS, 1992)



Source: CPS.

Families Receiving AFDC Have Fewer Children

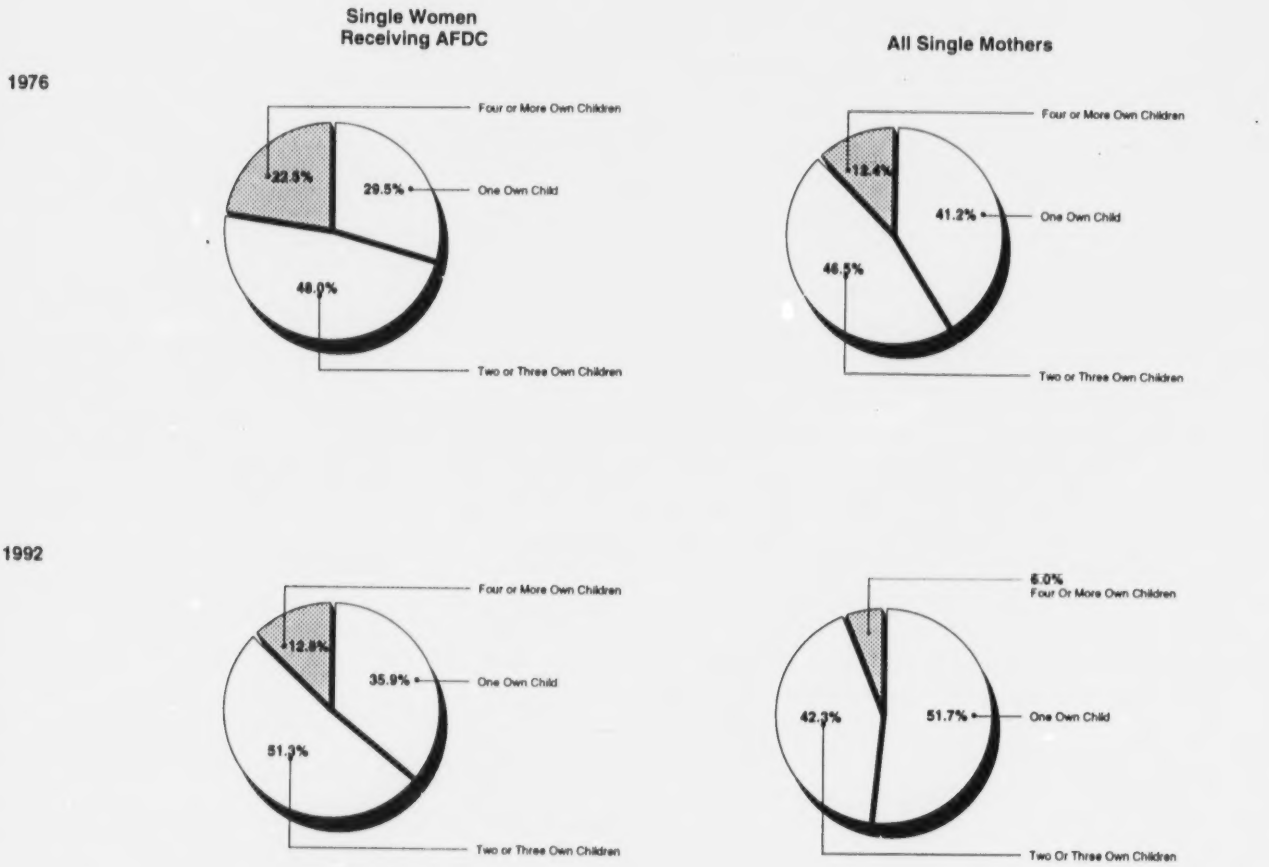
Contrary to popular belief, most AFDC families in 1976 were small, and most AFDC families today are small. In 1992, over one-third of single women receiving AFDC had one child, and over half had two or three children. (See fig. I.7.)

Moreover, in 1992, families receiving AFDC and headed by single women were smaller than in the past. Since 1976, the proportion of families with four or more children generally declined, starting at 22.5 percent in 1976 and ending at about 13 percent in 1992.[4] These changes parallel a trend toward smaller families for all families headed by single mothers.

Although family sizes declined for both families receiving AFDC and all families headed by single mothers, AFDC families tended to have more children. For example, in 1992, 13 percent of AFDC families had four or more children, whereas only 6 percent of all families headed by single mothers had four or more children.

[4]In determining family size throughout this report, we included only female-headed families with "own children" under 18 years old. We did not include female-headed families with "related children" under 18 (for example, grandchildren).

Figure I.7: Number of Own Children Less Than 18 Years Old Among Families Headed by Single Women Receiving AFDC and Among Families Headed by All Single Mothers (CPS, 1976 and 1992)



Source: CPS.

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Proportion of Working Women Receiving AFDC Has Remained Stable, but More Worked Part-Time

Both data sources we used showed consistent levels of employment over time for single women receiving AFDC. HHS data showed that the proportion of women who worked while receiving AFDC was roughly constant between 1986 and 1992—about 6 percent. Using a different measure, CPS data showed a higher, but also stable, percentage working—about 35 percent from the 1976 CPS to the 1992 CPS.[5] CPS data measure whether women receiving AFDC for all or some part of a given year worked at any point during that year. (See tables I.1 and I.2.)

Table I.1: Proportion of Single Women Receiving AFDC and Working

	Year			
	1986	1988	1990	1992
Percent working	5.6	6.3	6.7	6.5

Source: HHS.

Table I.2: Proportion of Single Women Receiving AFDC and Working at Some Point During a Given Year

	CPS year				
	1976	1980	1984	1988	1992
Percent working	35.3	40.7	28.3	33.3	34.3

Source: CPS.

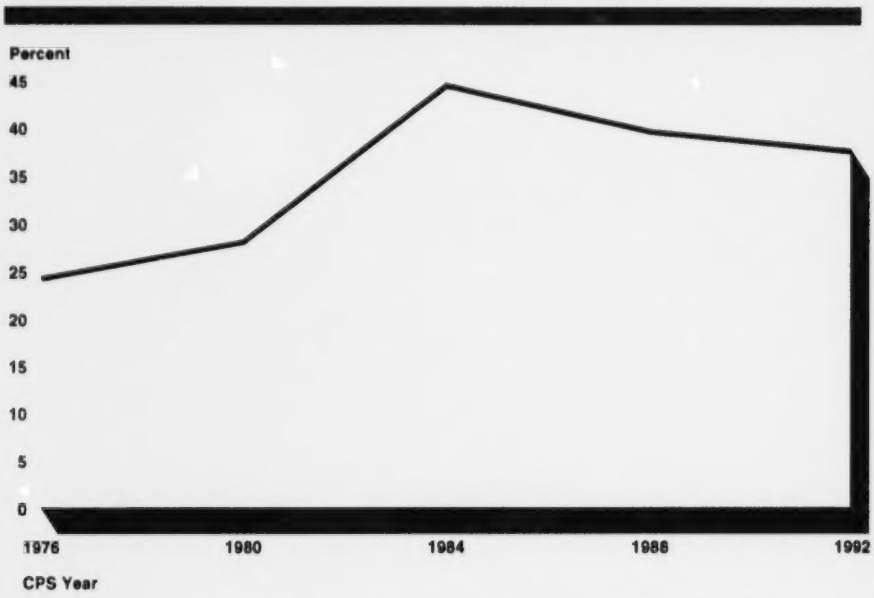
CPS data may show a higher proportion of women working because they measure employment when a woman is not necessarily receiving AFDC, whereas HHS data show only employment while a woman is receiving AFDC.[6] Other studies have suggested that the proportion working may be even higher. These studies point out that annual data, such as the HHS and CPS data sets, may understate complex patterns of workforce participation. These patterns may include movements in and out of the workforce (i.e., occasional or irregular work) that can only be captured by monthly data. In addition, other studies have suggested that recipients may underreport occasional or irregular work while receiving AFDC benefits, given that reporting of earnings may lower, or cause loss of, AFDC benefits. Over time, the CPS data also showed an increasing proportion of part-time, part-year work among those who worked. (See fig. I.8.) Changes from the Omnibus Budget Reconciliation Act of 1981 (OBRA) that lowered the amount of earnings that recipients could have and still remain eligible for AFDC may have contributed to the increase in part-time, part-year work. We note that

[5]As noted on page 14, income data from the CPS is collected in March for the prior calendar year.

[6]According to CPS, about 75 percent of single women receiving AFDC received AFDC benefits for the entire calendar year.

since CPS measures prior-year income, any impact from OBRA would not be visible in this data before the 1982 CPS data.

Figure I.8: Proportion of Part-Time, Part-Year Workers Among Single Women Receiving AFDC Who Worked (CPS, 1976-92)



Note: Sampling error is plus or minus 7 percentage points at the 95-percent confidence level.

Source: CPS.

(Percent)

CPS Year	
1976	24.2
1980	28.0
1984	44.3
1988	39.4
1992	37.3

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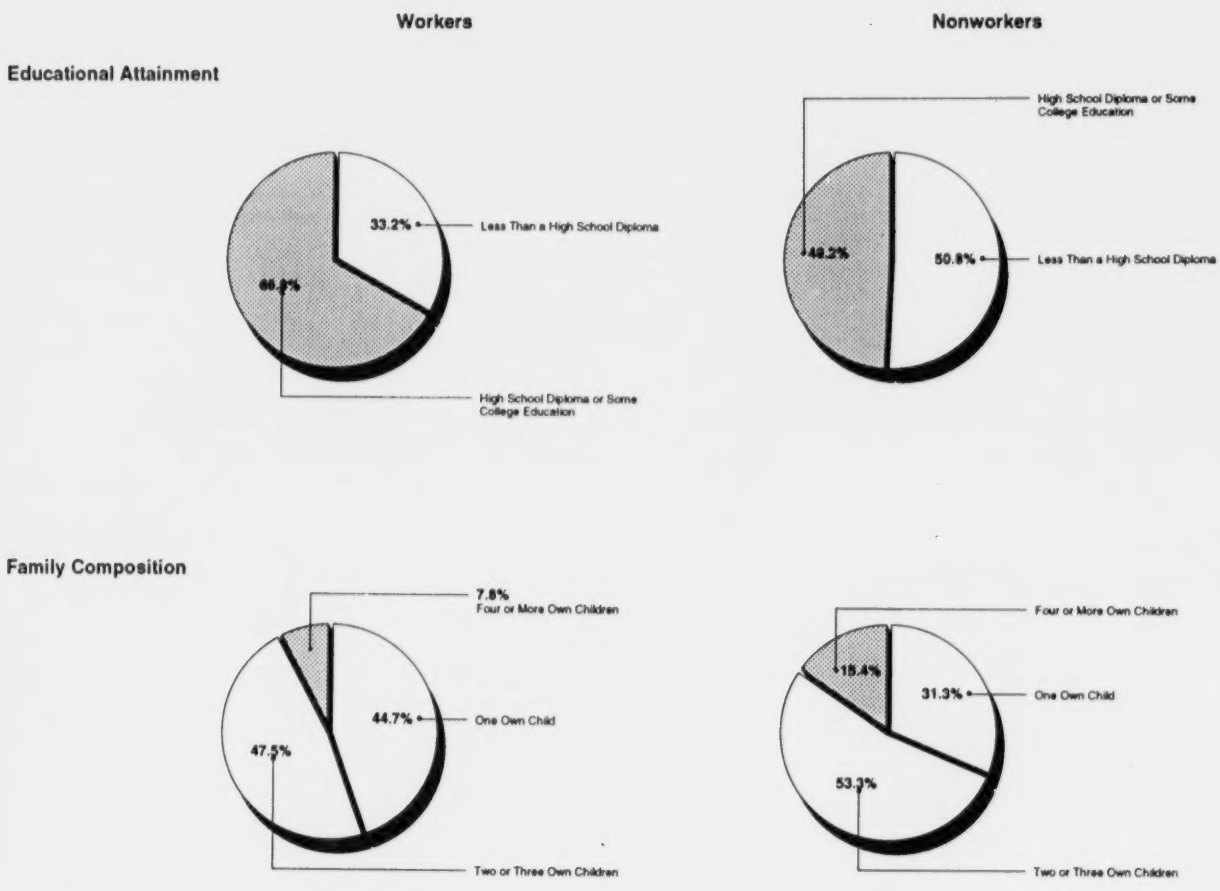
Who Is Most Likely to Work?

To obtain a greater understanding about the characteristics of single women receiving AFDC who worked, we analyzed educational levels, age, and number and age of children for these women. For comparison, we also analyzed the same characteristics for single women receiving AFDC who did not work.

Among single women receiving AFDC, those who worked were more likely to have at least a high school diploma than those who did not work. Younger women were just as likely to work as older women. Women with children under 6 years old were just as likely to work as women with older children. Working women receiving AFDC were more likely to have smaller families than nonworking women. (See fig. I.9.)

Even though having a high school diploma increases the likelihood that a single woman receiving AFDC will work, a woman with at least a high school diploma and a larger family is less likely to work than a woman with a high school diploma and a smaller family. Workers of all educational levels tended to have smaller families than nonworkers.

Figure I.9: Characteristics of Women Receiving AFDC Who Worked and Those Who Did Not Work (CPS, 1992)



Source: CPS.

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Real Value of AFDC Benefits and Earnings Declined

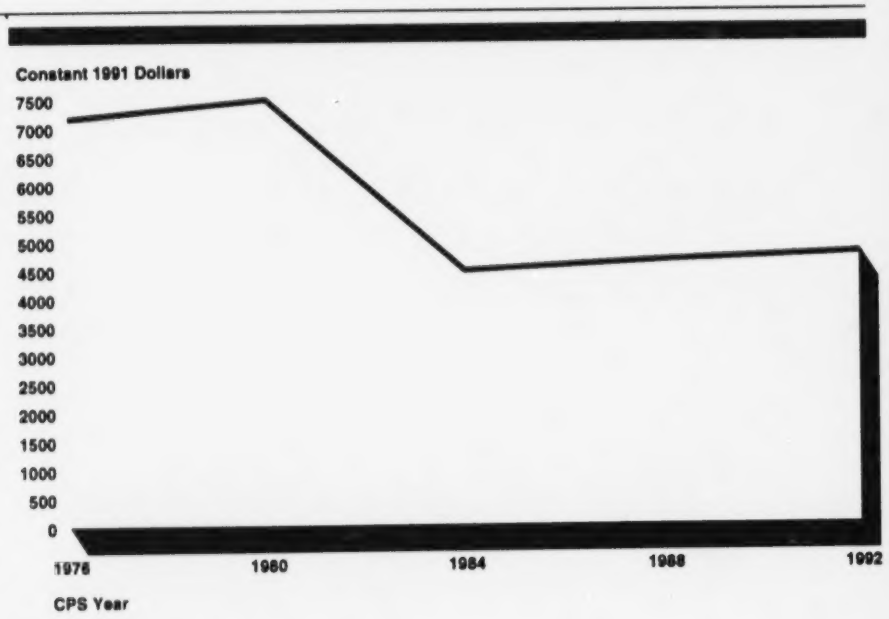
For female-headed families receiving AFDC, the average earned income reported in the 1992 CPS was 34 percent lower in constant dollars than that reported in the 1976 CPS.[7] (See fig. I. 10.) The average value of AFDC workers' earnings in constant dollars began to decline after 1980 and continued to decline until leveling off after the 1984 CPS.[8]

We expected to see declines in earned income following the passage of OBRA in 1981. OBRA changed certain eligibility criteria for receiving AFDC, lowering the amounts that recipients could earn and still receive benefits. However, our data showed that the drop in incomes began with income reported in the 1981 CPS, which reflects income earned in 1980, before OBRA was passed. We did not attempt in this work to determine what caused the decline in incomes.

[7]A family's earned income includes wages and salaries of family members 15 years old and older. These families may or may not have been receiving AFDC for the entire calendar year in which the income was reported.

[8]All earned income and total family income amounts are reported in constant 1991 dollars.

Figure I.10: Average Earnings of Single Women Who Received AFDC and Worked (CPS, 1976-92)



Source: CPS.

(Constant 1991 Dollars)	
CPS Year	
1976	7161
1980	7474
1984	4455
1988	4618
1992	4731

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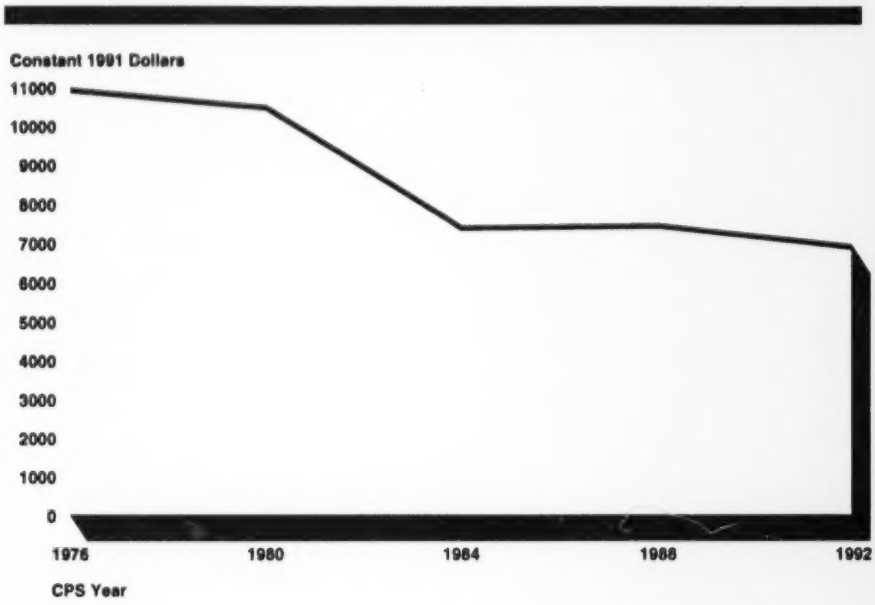
Besides the decline in reported earned income, published data show a median decline of 43 percent in the value of AFDC benefits, expressed in constant dollars, between 1970 and 1992.[9] As a result of the declines in earnings and benefits, real total family income declined. For example, the average total family income reported in the 1992 CPS declined over 37 percent in constant dollars compared to that reported in the 1976 CPS. We note that the CPS definition of total family income does not include the value of noncash benefits, such as Food Stamps and Medicaid. (See fig. I.11.)

[9]See 1992 Green Book, p. 641.

Figure I.11: Average Total Family Income for Single Women Receiving AFDC (CPS, 1976-92)



Source: CPS.

(Constant 1991 Dollars)	
CPS Year	
1976	10916
1980	10455
1984	7367
1988	7414
1992	6865

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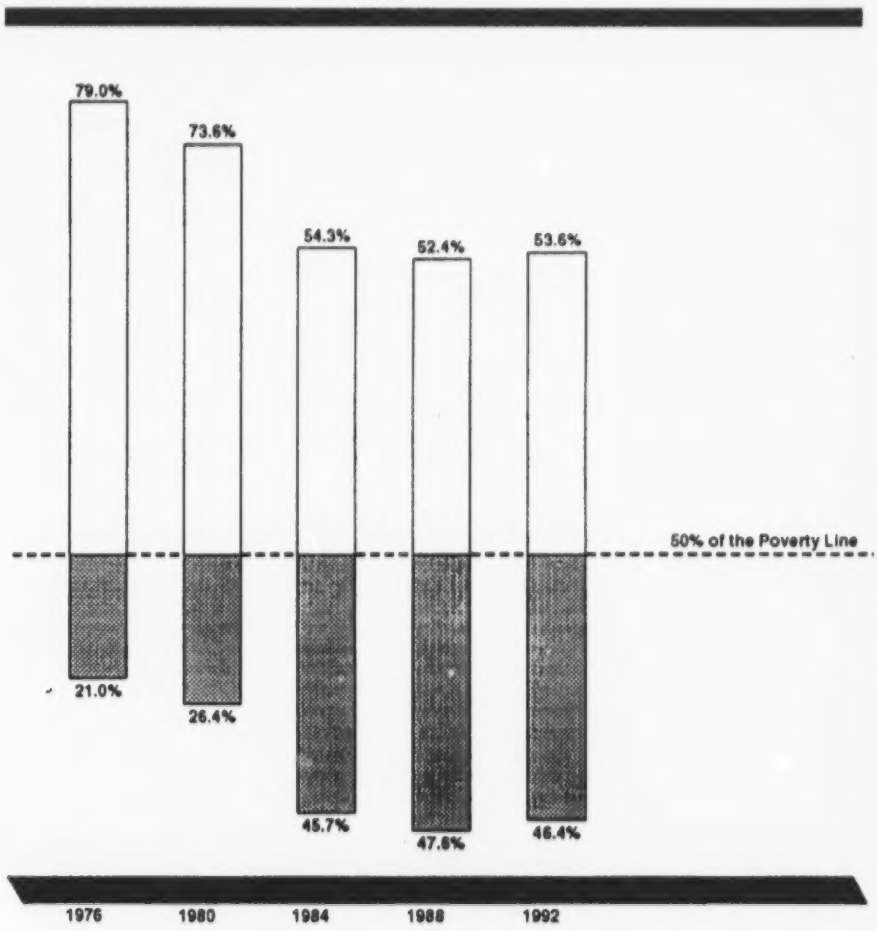
The combination of lower earned income and the declining value of AFDC benefits has resulted in a larger proportion of AFDC female-headed families being more concentrated below 50 percent of the poverty line. The proportion of AFDC female-headed families reporting total family incomes below 50 percent of the poverty line in the 1976 CPS had more than doubled by the 1992 CPS. Almost half of the female-headed families receiving AFDC reported total incomes in the 1992 CPS that were below 50 percent of the poverty line. (See fig. I.12.)

Figure I.12: Proportion of Female-Headed Families Receiving AFDC With Incomes Below 50 Percent of the Poverty Line (CPS, 1976-92)



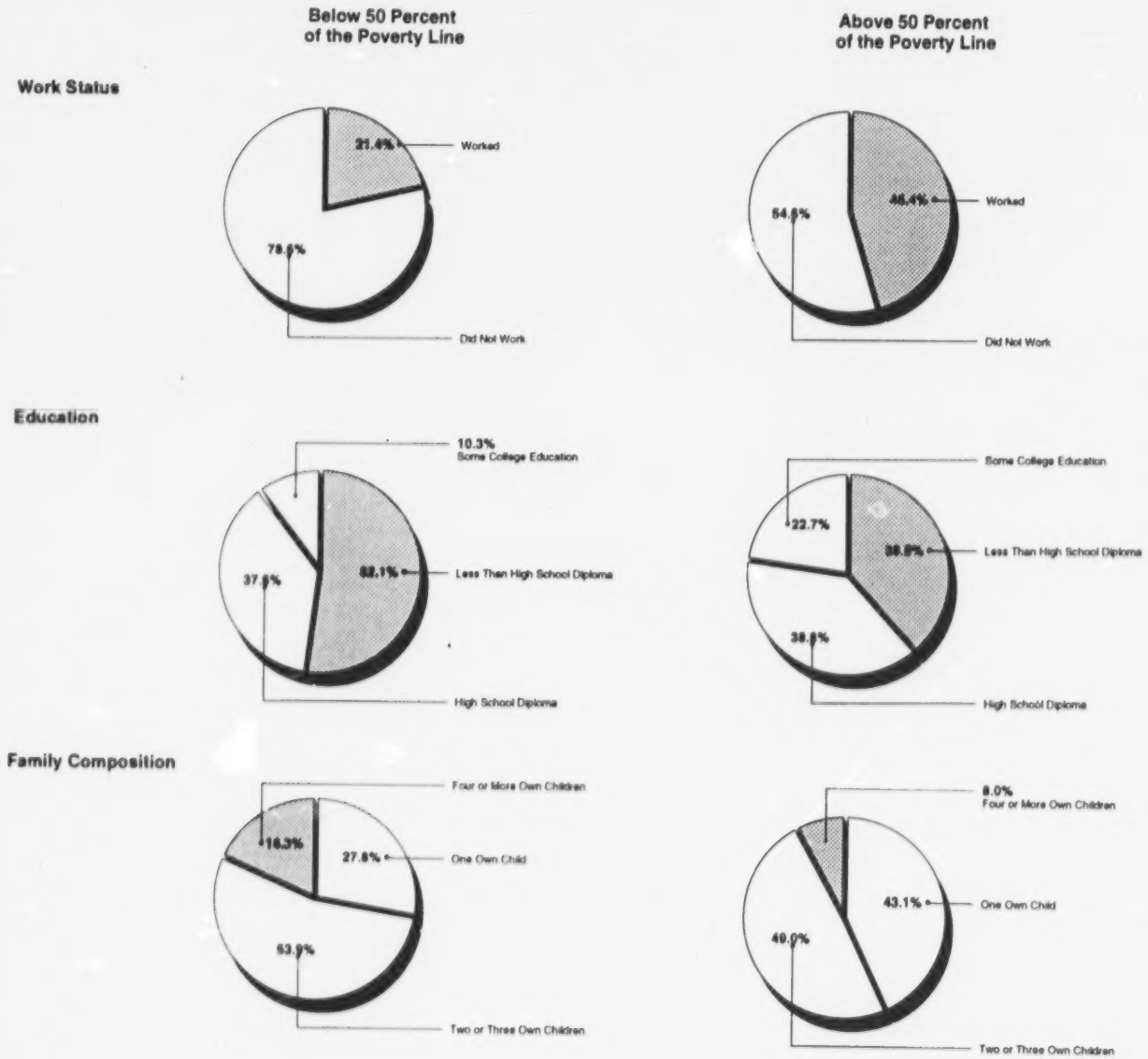
Source: CPS.

Who Has Incomes Below 50 Percent of the Poverty Line?

In the 1992 CPS, most single women receiving AFDC had total family incomes below the poverty line. Moreover, almost half of these women had total family incomes below 50 percent of the poverty line.

Women with incomes below 50 percent of the poverty line were most likely to not work, to have less than a high school education, and to have larger families. (See fig. I.13.)

Figure I.13: Characteristics of Women Receiving AFDC With Total Family Incomes Above and Below 50 Percent of the Poverty Line (CPS, 1976-92)



Source: CPS.

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Never-Married Women

In this section we analyze characteristics of never-married women receiving AFDC. We decided to look at this group because of the dramatic increase in its proportion among all single women receiving AFDC.

For this group, we looked at its proportion in the AFDC caseload, educational levels, racial composition, age, number of children, age at birth of first child, and income levels. We looked at changes in these characteristics over the 1976-to-1992 time period.

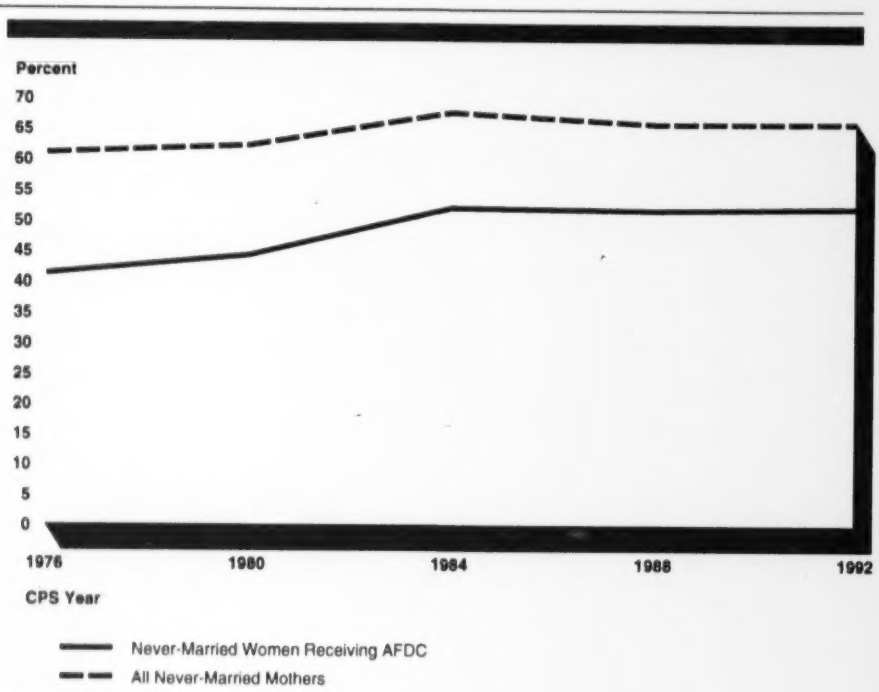
To see how trends we observed among never-married women receiving AFDC resembled or differed from broader demographic trends, we compared this group to all never-married mothers. We also compared the group of never-married women receiving AFDC to those women receiving AFDC who had ever been married.

Never-Married Women Receiving AFDC in 1992 Were Better Educated Than Never-Married Women Receiving AFDC in 1976

Compared to 1976, never-married women receiving AFDC in 1992 were more likely to have at least a high school diploma. In 1976, about 41 percent of never-married women receiving AFDC had a high school diploma or some college. By 1992, just over half of never-married women receiving AFDC had a high school diploma or some college.

Despite increases in the proportion with at least a high school diploma, never-married women receiving AFDC lagged behind all never-married mothers. While 52 percent of never-married women receiving AFDC had at least a high school diploma in 1992, among all never-married mothers the proportion with at least a high school diploma was 66 percent in 1992, up from 61 percent in 1976. (See fig. II.1.)

Figure II.1: Proportion With a High School Diploma Among Never-Married Women Receiving AFDC and Among All Never-Married Mothers (CPS, 1976-92)



Source: CPS.

(Percent)

CPS Year	Never-Married Women Receiving AFDC	All Never-Married Mothers
1976	41.2	60.9
1980	44.2	62.1
1984	52.0	67.5
1988	51.6	65.6
1992	52.0	65.7

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A Majority of Never-Married Women Receiving AFDC Were Black, but Proportion Has Been Declining

A majority of never-married women receiving AFDC were black, but the proportion declined between 1976 and 1992, from 71 to 57 percent. The proportion of never-married women receiving AFDC who were white or other increased over the same period.[1] (See fig. II.2.)

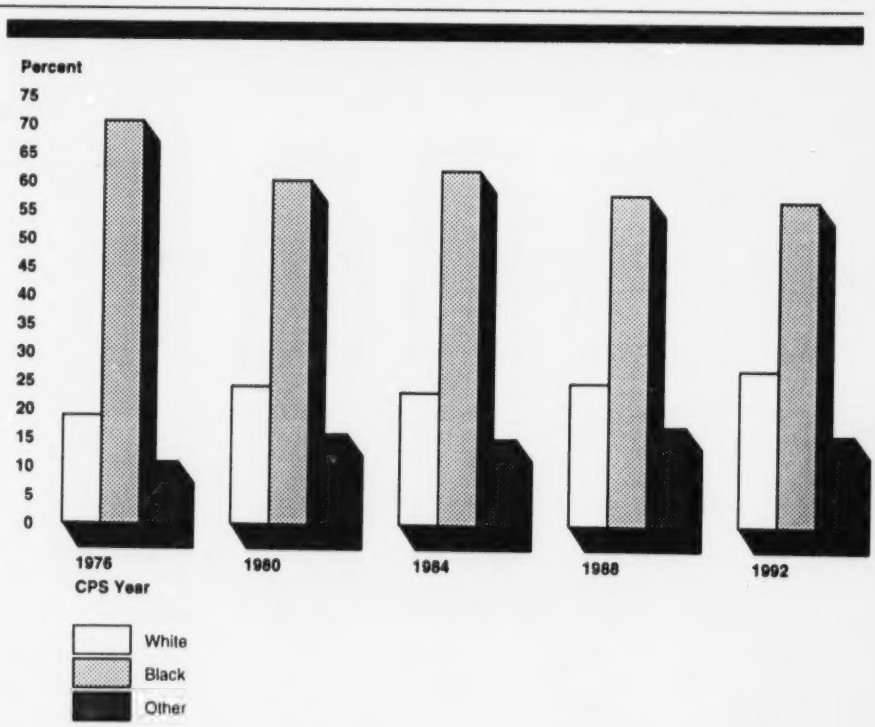
The racial composition of all never-married mothers remained about the same between 1976 and 1992.[2] Half of all never-married mothers were black, over one-third were white, and about 15 percent were other.

The changing racial composition of never-married women receiving AFDC narrowed the differences between the racial composition of the two groups. That is, the racial composition of never-married women receiving AFDC had become more similar to that of all never-married mothers. (See fig. II.3.)

[1]The racial group "other" includes Hispanics and Non-Hispanic others, such as Asians and Pacific Islanders. Over time, the proportion of Non-Hispanic others increased but remained a very small percentage of the total caseload (less than 5 percent).

[2]Although we did find some slight changes over time, the changes were not statistically significant.

Figure II.2: Racial Composition of Never-Married Women Receiving AFDC (CPS, 1976-92)



Source: CPS.

(Percent)

CPS Year	White	Black	Other
1976	18.8	70.5	10.7
1980	24.0	60.2	15.7
1984	23.0	62.0	15.0
1988	24.8	57.9	17.3
1992	27.2	56.9	15.9

Source: CPS.

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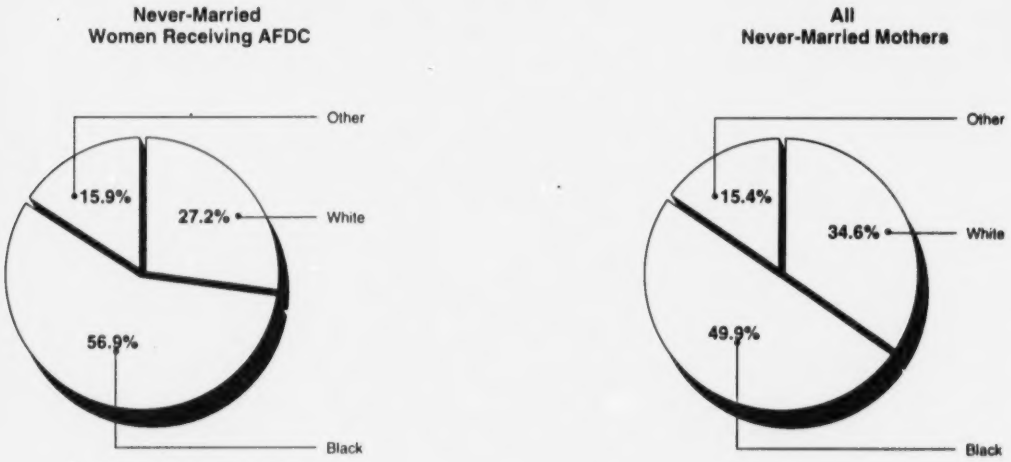
Figure II.3: Racial Composition of Never-Married Women Receiving AFDC and All Never-Married Mothers (CPS, 1992)

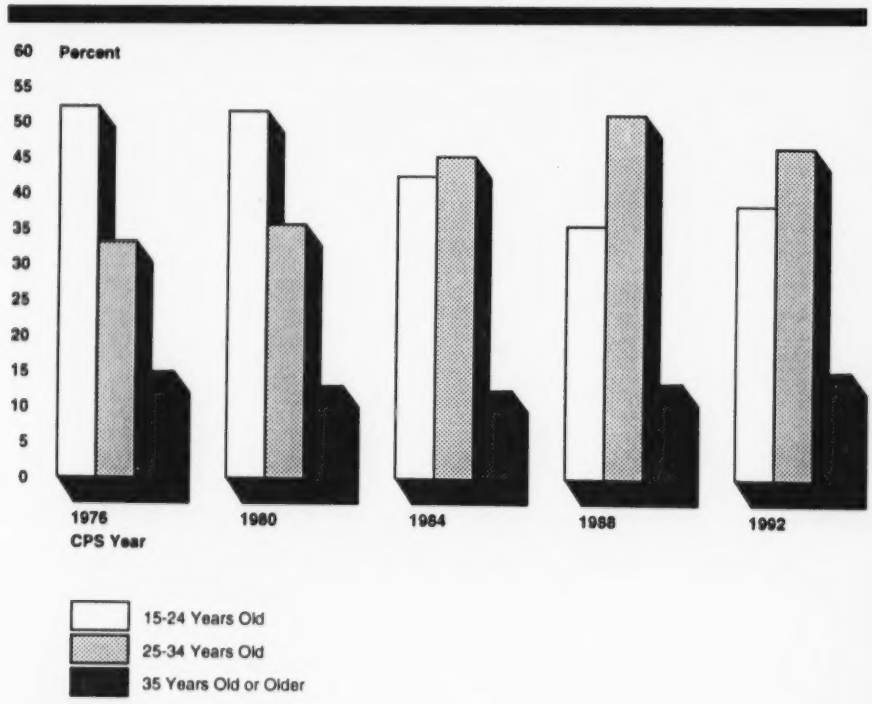


Source: CPS.

Never-Married Women Receiving AFDC More Likely Than in the Past to Be Age 25 or Older

In 1976, 48 percent of never-married women receiving AFDC were 25 years old or older, but the proportion grew to 62 percent in 1992. (See fig. II.4.) Among all never-married mothers, the proportion of those 25 and older increased slightly, from 65 percent to 67 percent. Thus, by 1992 the proportion of never-married women who received AFDC and were 25 years old or older was about the same as for the group of all never-married mothers. (See fig. II.5.)

Figure II.4: Age Composition of Never-Married Women Receiving AFDC (CPS, 1976-92)



Source: CPS.

(Percent)

CPS Year	15-24 Years Old	25-34 Years Old	35 Years Old or Older
1976	52.1	33.1	14.8
1980	51.5	35.6	12.9
1984	42.4	45.2	12.4
1988	35.5	51.1	13.4
1992	38.4	46.5	15.1

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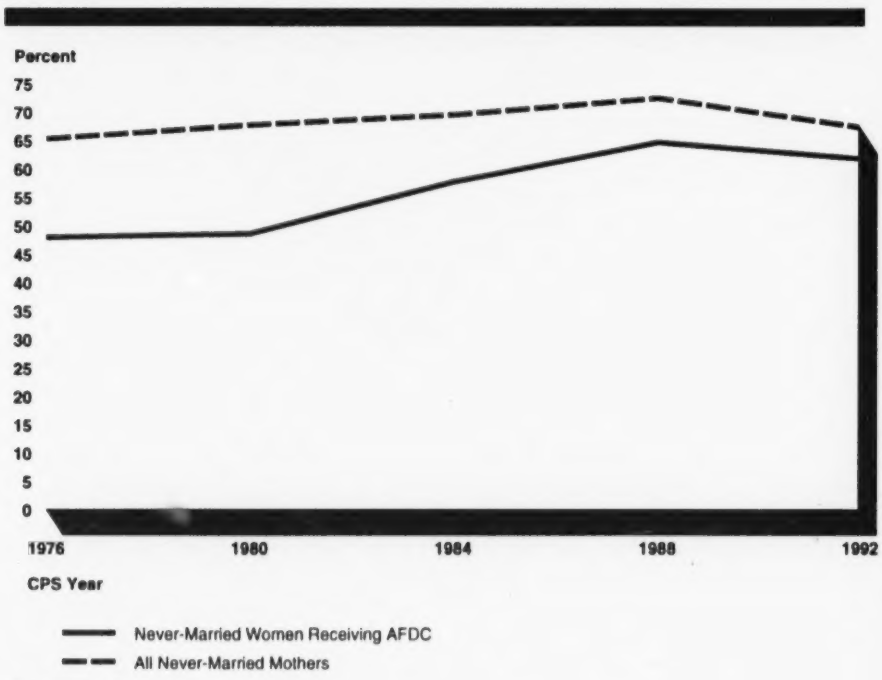
Figure II.5: Proportion of Never-Married Women 25 Years Old and Older (CPS, 1976-92)



Source: CPS.

(Percent)

CPS Year	Never-Married Women Receiving AFDC	All Never-Married Mothers
1976	47.9	65.2
1980	48.5	67.6
1984	57.6	69.4
1988	64.5	72.3
1992	61.6	67.1

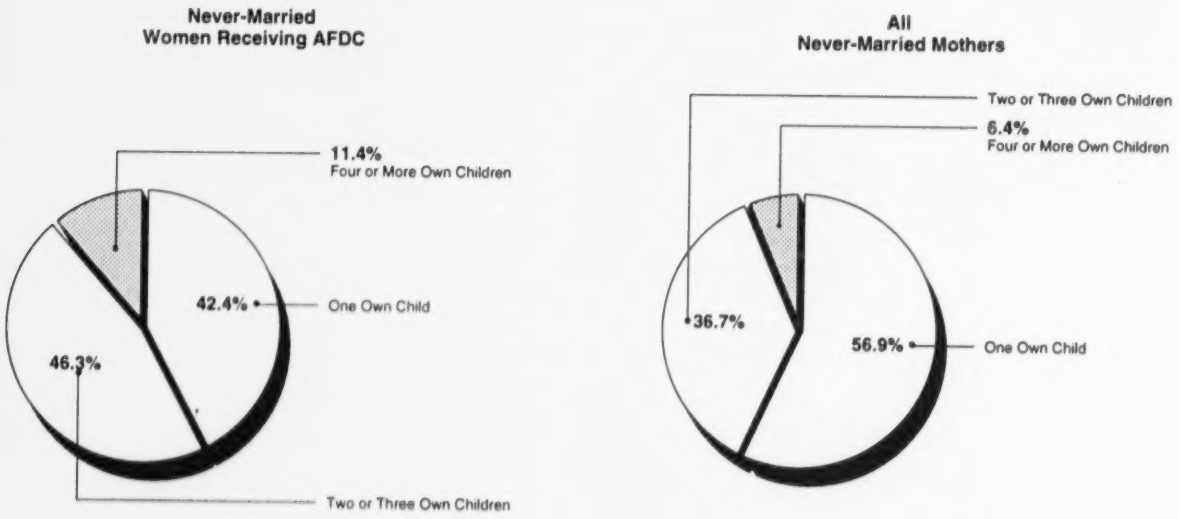
Never-Married Women Receiving AFDC Have Larger Families Than All Never-Married Women

Although some fluctuations have occurred, trends in the number of children for women receiving AFDC who have never married have remained relatively stable since 1976. Most never-married women receiving AFDC have between one and three children. About 11 percent had four or more children. (See fig. II.6.)

Compared to all never-married mothers, never-married women receiving AFDC are more likely to have larger families. About 11 percent of never-married women receiving AFDC had four or more children, compared with about 6 percent of all never-married mothers.

In addition, trends in the number of children were similar for the two groups. The number of children for never-married women receiving AFDC and for all never-married mothers remained relatively stable between 1976 and 1992.

Figure II.6: Number of Own Children Under 18 Years Old (CPS, 1992)



Source: CPS.

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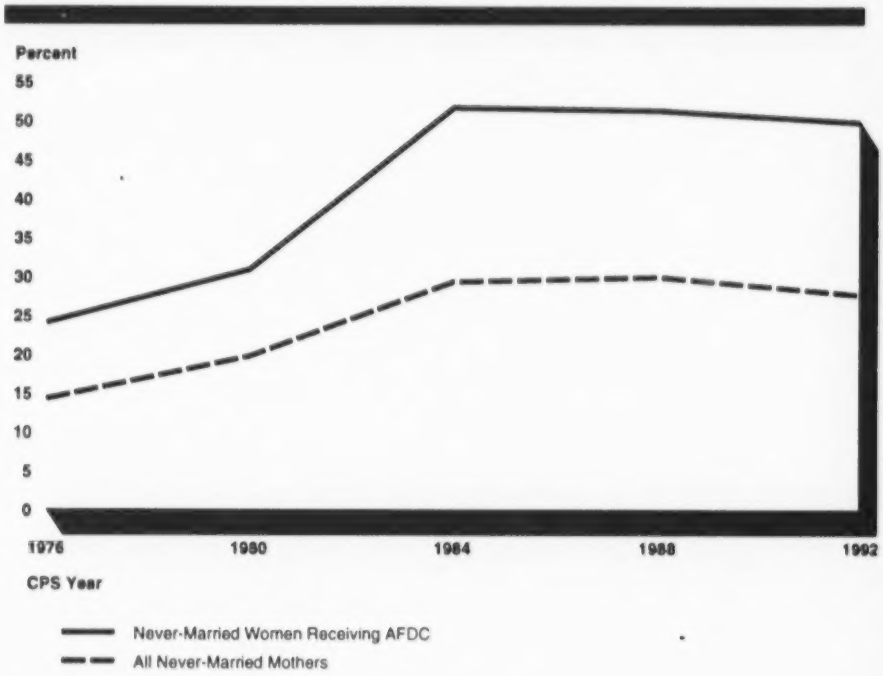
Increasing Proportion of Never-Married Women Receiving AFDC With Incomes Below 50 Percent of the Poverty Line

An increasing proportion of never-married women receiving AFDC have incomes below 50 percent of the poverty line. Since 1976, the proportion with incomes below 50 percent of the poverty line increased from about a quarter to about a half in 1992. (See fig. II.7.)

Among all never-married mothers, the proportion with incomes below 50 percent of the poverty line also increased over the same time period. However, a greater proportion of never-married women receiving AFDC have continued to have incomes this low.

Figure II.7: Proportion of Never-Married Women Receiving AFDC and All Never-Married Mothers With Incomes Below 50 Percent of the Poverty Line (CPS, 1976-92)



Source: CPS.

(Percent)

CPS Year	Never-Married Women Receiving AFDC	All Never-Married Mothers
1976	24.0	14.2
1980	30.8	19.7
1984	51.5	29.2
1988	51.1	29.8
1992	49.6	27.5

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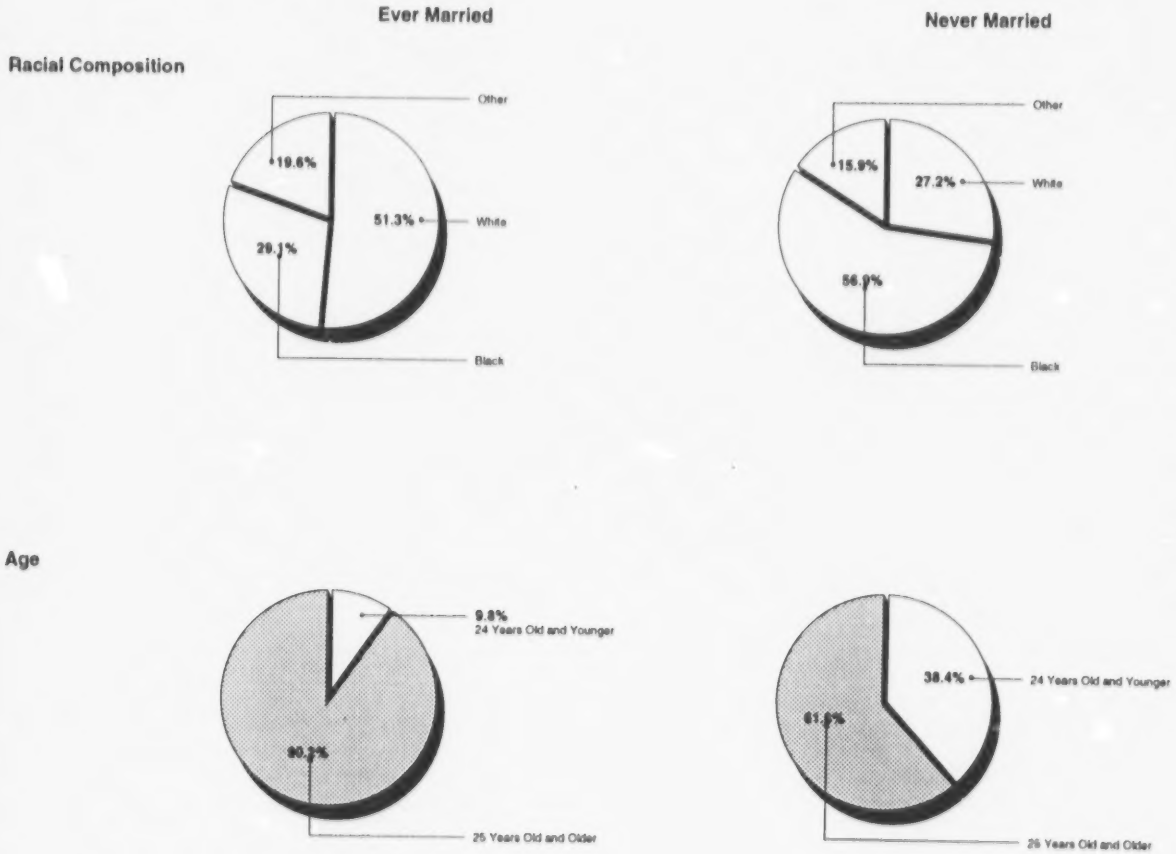
Among Those Receiving AFDC, Ever-Married Women More Likely to Have Larger Families and Receive Child Support Than Never-Married Women

Among women receiving AFDC, some characteristics of the group of ever-married women parallel those for women who never married. In educational attainment, over half of the two groups had at least a high school diploma in 1992 (59 percent for ever-married women and 52 percent for never-married women). Similar proportions of both groups worked (37 percent for ever-married women and 32 percent for never-married women). In other characteristics, however, the two groups differed.

Ever-married women receiving AFDC were more likely to be white, whereas never-married women receiving AFDC were more likely to be black. In addition, ever-married women were more likely to be 25 years old or older, less likely to have given birth as teenagers, and more likely to have more children than never-married women. (See fig. II.8.)

Although larger families are more likely to have incomes below 50 percent of the poverty line, ever-married women receiving AFDC were somewhat less likely than never-married women to have incomes this low (43 percent, compared to 50 percent, in 1992). Our data showed that ever-married women were more likely to receive child support, thereby increasing their incomes, than never-married women (20 percent, compared to 13 percent, in 1992).

Figure II.8: Characteristics of Women Receiving AFDC Who Have Ever Married and Those Who Have Never Married (CPS, 1992)



Source: CPS.

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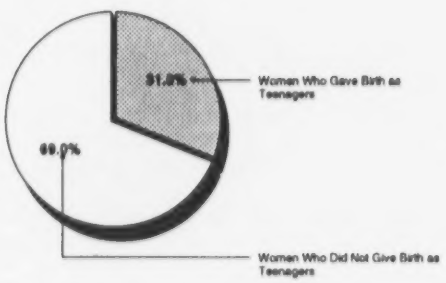
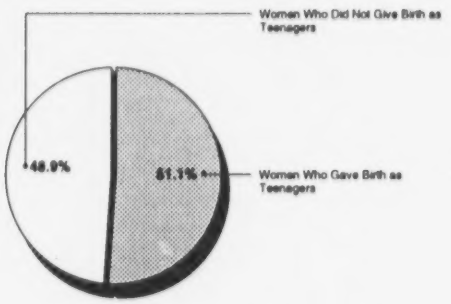
Ever Married

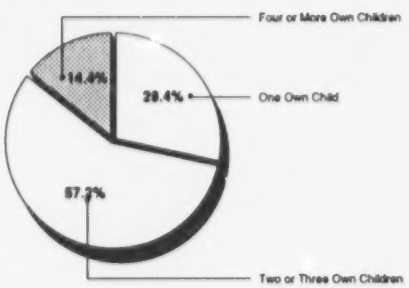
Never Married

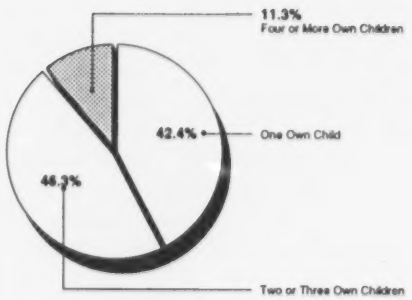
Proportion Who
Gave Birth as Teenagers





Number of Own Children





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Growth in Numbers of Never-Married Women Receiving AFDC Due Primarily to Growth in Women 20 Years Old or Older

Contrary to popular belief, the dramatic growth in never-married women receiving AFDC has not been due to a dramatic increase in teenage mothers receiving AFDC. As noted in appendix I, current teenage mothers accounted for a very small proportion of the AFDC caseload, 5 percent or less over the time period we examined. As a proportion of all never-married women, current teenage mothers grew only slightly, from 6.9 percent in 1976 to 8.1 percent in 1992, whereas the proportion of women who did not give birth as teenagers increased from about 42 percent to about 50 percent over the same time period.

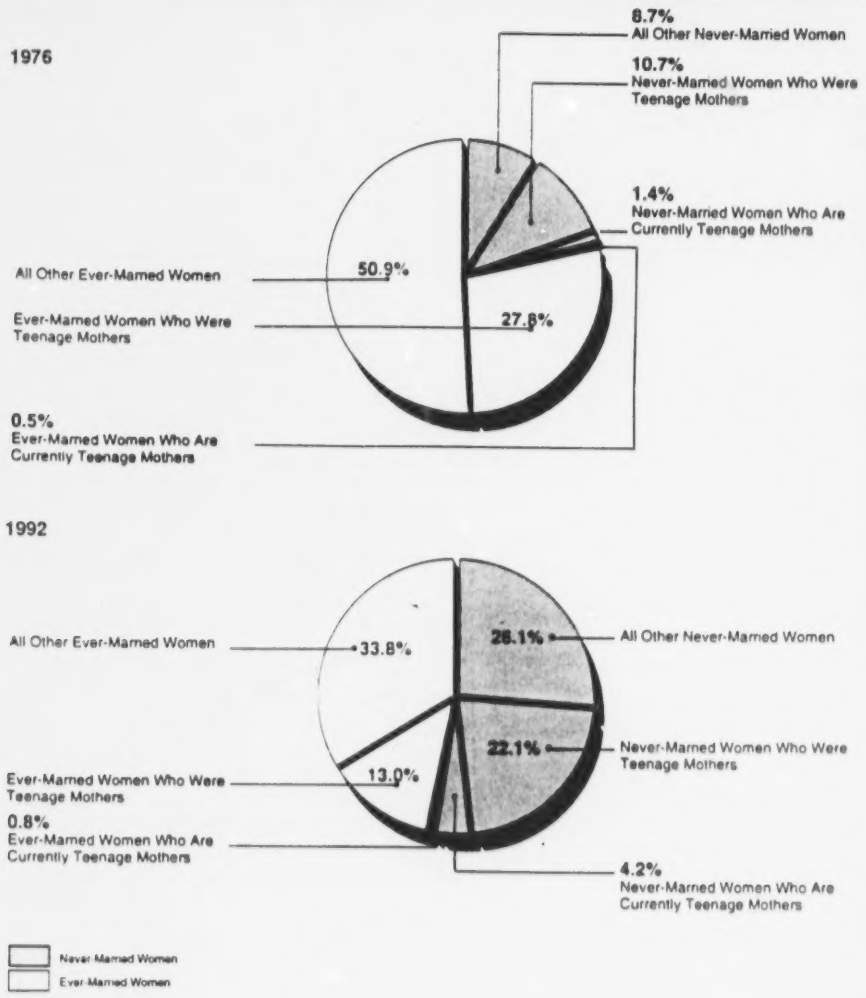
However, studies show that up to 4 years may elapse between the time a teenager gives birth and starts receiving AFDC.[3] Other studies suggest that young mothers, including teenage mothers, tend to receive AFDC for longer periods of time than older women. Given these findings, we might expect to find a group of former teenage mothers receiving AFDC at any given point in time. To see what the size of this group might be and to see whether it could account for the growth in never-married women receiving AFDC, we looked at the group of never-married women receiving AFDC who had given birth as teenagers but were now 20 years old or older.

Our analysis of single women receiving AFDC showed that, whereas former teenage mothers accounted for a large proportion of the increase in never-married women receiving AFDC, never-married women who did not give birth as teenagers accounted for an even larger proportion of the increase. Among all single women receiving AFDC, the proportion of women who had been teenage mothers and had never married increased from about 11 percent in 1976 to 22 percent in 1992. However, the proportion of women who had never been teenage mothers and had never married grew even more, increasing from about 9 percent in 1976 to about 26 percent in 1992. (See fig. II.9.)

For additional analysis of women receiving AFDC who are currently teenage mothers or had been teenage mothers, see our companion report, Families on Welfare: Teenage Mothers Least Likely to Become Self-Sufficient (GAO/HEHS-94-115).

[3]See 1992 Green Book, p. 695.

Figure II.9: Women Who Did and Did Not Give Birth as Teenagers, by Marital Status (CPS, 1976 and 1992)



Source: CPS.

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Major Contributors to This Report

Cynthia M. Fagnoni, Assistant Director, (202) 512-7202
Karen A. Brown, Evaluator-in-Charge
Linda F. Baker, Senior Evaluator
Paula J. Bonin, Senior Computer Specialist
Ann McDermott, Publishing Advisor
Carol D. Petersen, Senior Economist

Glossary

All Single Mothers	All female heads of families with their own children who are under 18 and with no spouse present. This group includes those receiving AFDC and those not receiving AFDC.
Earned Income	The CPS defines earned income as money income received in the preceding calendar year by family members 15 years old and older from money wages or salary, net income from nonfarm self-employment, and net income from farm self-employment.
High School Diploma	Received high school diploma or general equivalency diploma (GED).
Never-Married	A woman who at the time of the survey had never been married.
Single	No spouse present in the household. A single woman could be divorced, widowed, deserted, separated, or never married.
Single Women Receiving AFDC	Includes all female heads of family who receive AFDC and have children, but no spouse is present. Note: A female head of a family could be the mother, grandmother, aunt, etc.
Total Family Income	CPS defines total family income as money income received in the preceding calendar year by family members 15 years old and older from each of the following sources: (1) money wages or salary; (2) net income from nonfarm self-employment; (3) net income from farm self-employment; (4) Social Security or railroad retirement; (5) Supplemental Security Income; (6) public assistance or welfare payments; (7) interest (on savings or bonds); (8) dividends, income from estates or trusts, or net rental income; (9) veterans' payments or unemployment and workmen's compensation; (10) private pensions or government employee pensions; and (11) alimony or child support, regular contributions from persons not living in the household, and other periodic income. Total income does not include the value of Food Stamps or Medicaid.

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Poverty Trends, 1980-88: Changes in Family Composition and Income Sources Among the Poor (GAO/PEMD-92-34, Sept. 10, 1992).

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